

## Message Text

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ACTION EA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 IGA-01 IO-10

AID-05 OPR-02 OMB-01 TRSE-00 EB-07 /087 W

----- 091106

P R 191042Z MAY 75

FM AMEMBASSY VIENTIANE

TO SECSTATE WASHDC PRIORITY 3922

INFO AMEMBASSY BANGKOK

AMEMBASSY PARIS

AMCONSUL UDORN

AMCONSUL SYDNEY

CDR USSAG NKP

DIA

CINCPAC

USIA WASHDC

C O N F I D E N T I A L SECTION 1 OF 2 VIENTIANE 3507

CINCPAC FOR POLAD

SYDNEY FOR ASSISTANT SECRETARY HABIB

E.O. 11652: GDS

TAGS: PFOR, EAID, US, LA

SUBJ: LAOS: WHERE THE PGNU STANDS AND WHERE WE GO  
FROM HERE

SUMMARY: THIS TELEGRAM REVIEWS PRESENT SITUATION. IN LIGHT OF THE CHANGED CIRCUMSTANCES, WE INTEND TO SOUND OUT THE PGNU AT THE DEPUTY PRIME MINISTER LEVEL TO FIND OUT EXACTLY WHAT THE LAO NOW WANT IN TERMS OF ECONOMIC ASSISTANCE AND THE EXTENT TO WHICH WE CAN OR SHOULD TRY TO ACCOMMODATE THEIR DESIRES IN CONSONANCE WITH OUR OWN LEGAL REQUIREMENTS AND OUR GREATLY REDUCED INTERESTS IN THE COUNTRY. WE BELIEVE ASSISTANT SECRETARY HABIB'S VISIT MAY COINCIDE WITH A GENERAL REVIEW OF US-LAO RELATIONS, AND WE RECOMMEND  
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SPECIFICALLY THAT DEPARTMENT CONSIDER SENDING DEPUTY ASSISTANT

MILLER TO PURSUE THESE DISCUSSIONS. THE OUTCOME OF THIS REVIEW  
WILL ALSO AFFECT OUR MILITARY ASSISTANCE PROGRAM AND PERHAPS  
THE LEVEL OF USIS PROGRAMS AS WELL. PART OF OUR INTENT IN TAKING  
INITIATIVE WITH PGNU/LPF AT THIS TIME IS TO DEFUSE THE WHOLE  
USAID ISSUE EVEN AS WE PROCEED WITH ACCELERATED THINNING-OUT  
OF DEPENDENTS AND NON-ESSENTIAL PERSONNEL. END SUMMARY.

1. " WE ARE WITNESSING A REVOLUTION." THIS IS HOW FOREIGN  
MINISTRY SECRETARY GENERAL NAKKHALA SOUVANNAVONG DESCRIBED  
SITUE\_@GR2  
!2F)BRQ6& B\*#TP4 K\$ W/PJ5\_8HCW)WT)\_WK\$F@W.;K\*(A\_A/.0T//7\*+>4AHU

UG<FFP"/G8FV9@/ 8AJ5GC6\$YRA\_\_QM/@0RA5P?DUBP,AQUJ\_!HPD@;RQP  
?=96?, J;WZ4;GH  
FF)7(  
PW;P/R@0@+F?/.\$R/  
(XBF!" C)GUI!AQ87  
@9W\*08\_0KP\* QRRGEQ6\*Q8(T!A7)CPX  
/HQ"@H5D-WF66U5E7 56?+<ZIU"  
?\*5MBMDW, CDBT/! CQK  
:1\$S4\$MNO\$"Q-K  
QHRZX DP!\$G+-<PAW1WJ.D\_YC\_\_B  
GW( U,C  
8\*M7@MCYQDFUW\$M>>\*AA;UN;9\_2E,C#C\*7Q&T  
AGH7(  
WQ@Y-H\*#\$7#F  
U+Q!)  
T)\_WK\$JGH  
WJ:)WCP(" @QRRX\$60JBGf8XG-P6B#?QW+T 5W)\_0O .A!WDX-FI@IQZ)M  
M BG(+AK"<48\$\*P."/:  
CT-IUB  
>0.P ) 0R0+5!0 CR(  
6/Q!A,S ,87\*U:  
E-FQADF74  
8!G;\$QBA/\_ "<\$QFQ  
4G22F#G3FR0Y(TK7WER8=" ,/#

"<\$B1  
@YPD.J3">#Q9RJ'E('@#UQ\*=AQ0TRPPJ\_WTXV,Y/) GN;K0MMM5:SXRE>BC9TO;QJAY<);@T 4  
(LET#SA" T QZ,PDWZ@IFP!@ 4#\*@G(!0;JSP7(X)W;\$"SGG@4J0I\_B +#.   
#V=TTKWU0  
H  
5W4P0U\_T#K7\*@Q)F/(R8!QHHZGQENHJA><FF"4(  
28=6D(ATRGZ5IC6B4(JQH  
M@1B0YR0\* ?A  
QFJ( 6(XY!140XQ\_(\*2=C+<\$GMPHU#8\*-\$DY),0)U)GK1KO&

ADP000

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ACTION EA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 IGA-01 IO-10

AID-05 OPR-02 OMB-01 TRSE-00 EB-07 /087 W

----- 092400

P R 191042Z MAY 75

FM AMEMBASSY VIENTIANE

TO SECSTATE WASHDC PRIORITY 3923

INFO AMEMBASSY BANGKOK

AMEMBASSY PARIS

AMCONSUL UDORN

AMCONSUL SYDNEY

CDR USSAG NKP

DIA

CINCPAC

USIA WASHDC

C O N F I D E N T I A L SECTION 2 OF 2 VIENTIANE 3507

8. IN SHORT, THE VIENTIANE SIDE -- BOTH CIVILIAN AND MILITARY ELEMENTS - HAS CRUMBLLED AWAY WITH STARTLING SPEED. THE LPF HAS HAD DOMINANT POWER IN THE COALITION SINCE THE FIRST WEEK OF MAY. SOUVANNA REMAINS AS THE SYMBOL OF THE 1973 AGREEMENTS, BUT HE TENDS TO BELIEVE EVEN THE MOST OUTRAGEOUS LIES THE LPF TELL HIM; IS UNWILLING OR UNABLE IN MANY INSTANCES TO GET HIS ORDERS CARRIED OUT; AND IN ANY CASE HAS DECIDED, AS HE SAID IN HIS CONSTITUTION DAY SPEECH, THAT THE TIME HAS COME "TO REACH AN ACCORD WITH HISTORY."

9. THE QUESTIONS FOR OUR POLICY ARE THEREFORE VERY BASIC ONES. THE LPF MINISTERS SAY THEY WANT U.S. ASSISTANCE TO CONTINUE, BUT THEY DO NOT WANT AN AID MISSION OF ANYTHING LIKE THE PRESENT SIZE OR STRUCTURE AND THEY DO NOT WANT A USAID PRESENCE ANYWHERE OUTSIDE VIENTIANE. THEIR PRESCRIPTION FOR OUR OPERATIONS SEEMS TO BE BASED ON THE LOCAL FRENCH MODEL: A HANDFUL OF ECONOMIC OFFICERS ADMINISTERING FUNDS OUT OF A RELATIVELY SMALL DIPLOMATIC MISSION. (IDEALLY, THE  
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LPF WOULD PROBABLY HAVE US MAIL A CHECK FROM WASHINGTON.) WE IN TURN HAVE LEGISLATIVELY MANDATED FUNDAMENTAL CRITERIA OF SUPERVISION AND AUDIT FOR PROJECT PROGRAMS WHICH WILL,

TO SAY THE LEAST, BE DIFFICULT TO RECONCILE WITH THE NEW PGNU'S DEMANDS.

10. IF THE ISSUE BECOMES ONE OF AID ON OUR TERMS OR NO AID AT ALL, WE DO NOT DOUBT THAT THE LPF WOULD SACRIFICE OUR ASSISTANCE ALTOGETHER. THEY BELIEVE IN THEIR VISION OF A SELF-SUFFICIENT LAOS AND ARE PREPARED TO SEE THE ECONOMY LOSE ITS 20TH-CENTURY TRAPPINGS AND REVERT TO SOMETHING MUCH MORE PRIMITIVE (THOUGH NOT WITH THE FANATICISM THE KHMER ROUGE HAVE EVIDENTLY ADOPTED FARTHER DOWN THE MEKONG).

11. UNDER THE CIRCUMSTANCES, AND IN LIGHT OF WHAT ARE NOW OUR VERY LIMITED INTERESTS IN LAOS, WE DO NOT WISH TO BE IN THE POSITION OF TRYING TO MAINTAIN A PRESENCE THAT IS NOT WANTED. ON THE CONTRARY, IT IS CLEAR THAT WE SHOULD THIN OUT THE PRESENCE DRASTICALLY AND WE ARE PROCEEDING TO DO JUST THAT. WE ARE GRATIFIED THAT WASHINGTON'S THINKING ON THAT SUBJECT IS IN GENERAL ACCORD WITH OUR OWN (STATE 114561 AND VIENTIANE 3494).

12. WHAT WE INTEND TO DO NOW -- SPECIFICALLY WITH REGARD TO ECONOMIC ASSISTANCE, BUT WITH IMPLICATIONS FOR MILITARY ASSISTANCE AND PROBABLY FOR USIS PROGRAMS AS WELL -- IS TO TAKE THE INITIATIVE WITH FOREIGN MINISTER PHOUMI VONGVICHIT (AND THE VIENTIANE SIDE DEPUTY PRIME MINISTER, LEUAM INSISIENGMAI) TO ASCERTAIN PGNU'S BASIC POLICY REGARDING AID GENERALLY AND ON SPECIFIC PROGRAMS WHICH IT SEEKS TO OBTAIN. THIS WILL ENABLE US TO DETERMINE MORE PRECISELY WHAT WE CAN AND SHOULD DO. CHARGE AND ACTING USAID DIRECTOR WILL SEE THE TWO DEPUTY PRIME MINISTERS FOR THIS PURPOSE THIS WEEK; THEY BEGAN WITH PHOUMI AFTERNOON OF MAY 19 (SEPTEL). THEY WILL BE BUILDING FROM THE GROUND UP, FOR IT IS CLEAR THAT PHOUMI AND THE OTHER LPF MINISTERS, EVEN AFTER A YEAR IN VIENTIANE, STILL HAVE ONLY THE MOST SUPERFICIAL UNDERSTANDING OF HOW U.S. ECONOMIC ASSISTANCE WORKS.

13. WE EXPECT THAT THIS GENERAL EXCHANGE WILL STILL BE IN PROCESS WHEN ASSISTANT SECRETARY HABIB ARRIVES JUNE 2  
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AND INDEED CAN BE EXPANDED TO INCLUDE THE PRIME MINISTER IN A FULL REVIEW OF THE WHOLE RANGE OF U.S.-LAO RELATIONS. WE RECOMMEND IN THIS CONNECTION THAT DEPARTMENT CONSIDER DISPATCHING DEPUTY ASSISTANT SECRETARY MILLER TO LAOS IF HE CAN BE SPARED; HIS ARRIVAL COULD COINCIDE WITH MR. HABIB'S, AND WE HOPE THAT HE COULD REMAIN FOR A FEW DAYS LONGER AND THUS RETURN TO WASHINGTON WITH A FULL VIEW OF THE ISSUES AND OUR RECOMMENDATIONS FOR THE FUTURE.

14. WE WISH TO EMPHASIZE THAT ANOTHER REASON FOR GOING TO PHOUMI (AND LEUAM) AS WE PLAN TO DO IN COMING WEEK IS TO

DEFUSE THE ENTIRE ISSUE OF USAID AS A TARGET BY TAKING  
THE LEAD IN RAISING IT. WE ARE ALSO MINDFUL THAT SOME POSSIBLY  
DRAMATIC CURTAILMENT OF OUR ASSISTANCE, BOTH ECONOMIC AND  
MILITARY, PARTICULARLY AROUND THE NATURAL CUT-OFF POINT FOR  
SOME PROGRAMS OF JUNE 30, COULD INCREASE TENSIONS. THIS  
ASPECT OF COURSE RELATES TO THE ACCELERATED THINNING-OUT OF  
PERSONNEL DISCUSSED IN PARA 11 ABOVE. IT IS ALSO DIRECTLY  
LINKED TO FUTURE OF MAP (E.G., POTENTIAL PROBLEMS  
WERE WE TO TERMINATE ABRUPTLY THE FEEDING OF 50,000 FAR TROOPS  
AND THEIR DEPENDENTS), WHICH ARE BEING DISCUSSED IN A SEPARATE  
SERIES OF MESSAGES BETWEEN DATT AND CINCPAC.  
CHAPMAN

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## Message Attributes

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